India carried out by the RBI on the recommendations of the Joint Parliamentary Committee on Security Market Scam. The measure would not restrict or prevent NRI investments as Non-Resident Indians (NRIs) continue to enjoy all the facilities available to any other foreign investor, including automatic route for foreign direct investment.

New methods of measuring market risks

1448. SHRI R. K. ANAND: Will the Minister of FINANCE be pleased to state:

(a) whether Government/Reserve Bank of India has introduced new methods of measuring market risks such as value at risk and pre-commitment approaches to provide standardized and tighter framework for the Banking Sector;

(b) if so, in what manner, such measures would significantly enhance risk sensitivity in developing economies;

(c) whether the banking sector in the country has the necessary wherewithal's and sophisticated management information system to adopt the approach in the contemplated time frame; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) to (d) Do not arise.

Understatement of NPAs by Banks

1449. SHRI SANTOSH BAGRODIA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that most banks both nationalised as well as private understate their Non Performing Assets;

(b) if so, Government's reaction thereto; and

(c) what steps Government would take to curb such practices by the banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) and (c) Do not arise.